

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

LEXINGTON REALTY TRUST

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SIC: **6798** Real estate investment trusts

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

Current Report Pursuant
to Section 13 OR 15(d) of The
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 10, 2013

LEXINGTON REALTY TRUST

(Exact name of registrant as specified in its charter)

<u>Maryland</u> (State or other jurisdiction of incorporation)	<u>1-12386</u> (Commission File Number)	<u>13-3717318</u> (IRS Employer Identification No.)
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<u>One Penn Plaza, Suite 4015, New York, New York</u> (Address of principal executive offices)	<u>10119-4015</u> (Zip Code)
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(212) 692-7200
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2.):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 3.02. Unregistered Sale of Equity Securities.

On January 10, 2013, Lexington Realty Trust (the “Trust”) issued 5,049,096 shares of beneficial interest, par value \$0.0001 per share, classified as common stock (“Common Shares”) upon conversion of \$35,000,000 original principal amount of the Trust's 6.00% Convertible Guaranteed Notes due 2030 (the “2010 Convertible Notes”) at the stated current conversion rate of 144.2599 Common Shares per \$1,000 principal amount of the 2010 Convertible Notes. The conversion was pursuant to (1) a Conversion Agreement, dated as of January 9, 2013, and (2) an exemption from registration pursuant to Section 3(a)(9) of the Securities Act of 1933, as amended. In connection with the conversion, the Trust made a cash payment to the converting holder in the amount of \$2,275,000, plus accrued and unpaid interest with respect to the 2010 Convertible Notes being converted.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On January 10, 2013, the Compensation Committee (the “Compensation Committee”) of the Board of Trustees of the Trust, in accordance with the 2011 Equity-Based Award Plan (the “Plan”), approved long-term retention grants to certain named executive officers. The long-term retention grants consist of non-vested Common Shares as follows: 750,000 non-vested Common Shares were granted to T. Wilson Eglin, Chief Executive Officer and President of the Trust, 200,000 non-vested Common Shares were granted to Patrick Carroll, Chief Financial Officer, Executive Vice President and Treasurer of the Trust, and 100,000 non-vested Common Shares were granted to Joseph S. Bonventre, Executive Vice President, General Counsel and Assistant Secretary of the Trust. The non-vested Common Shares (1) have a grant date value equal to the closing price of a Common Share of the Trust on the New York Stock Exchange on January 10, 2013 and (2) vest as follows: (x) ten percent (10%) of the Common Shares initially granted shall vest on each of January 15, 2018, January 15, 2019, January 15, 2020, January 15, 2021 and January 15, 2022 for a total of fifty percent (50%); and (y) ten percent (10%) of the Common Shares initially granted shall vest on each of January 15, 2018, January 15, 2019, January 15, 2020, January 15, 2021 and January 15, 2022 for a total of fifty percent (50%); provided, that the vesting for the Common Shares under this sub-clause (y) shall accelerate in full in the event the twenty consecutive trading day average closing price of a Common Share on the primary exchange that the Common Shares are then trading first exceeds \$15.00 after the grant date if such shares have not already vested, but no earlier than January 15, 2018.

The long-term retention grant is governed by a Long-Term Retention Nonvested Share Agreement, the form of which is filed as Exhibit 10.1 to this Current Report on Form 8-K (this “Current Report”) and is incorporated herein by reference. This Current Report describes certain terms of these Long-Term Retention Nonvested Share Agreements, and such descriptions are qualified in their entirety by reference to the full text of such agreement.

Also on January 10, 2013, the Compensation Committee, in accordance with the Plan, approved a one-time award of 7,500 Common Shares to each non-employee trustee of the Trust.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

10.1 Form of Long-Term Retention Nonvested Share Agreement



SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Lexington Realty Trust

Date: January 11, 2013

By: /s/ Patrick Carroll

Patrick Carroll

Chief Financial Officer

Exhibit Index

10.1 Form of Long-Term Retention Nonvested Share Agreement

**LEXINGTON REALTY TRUST
LONG-TERM RETENTION NONVESTED SHARE AGREEMENT**

This AGREEMENT is effective as of January __, 2013 by and between Lexington Realty Trust, a Maryland real estate investment trust (the "Company") and _____ (the "Participant").

WITNESSETH THAT:

WHEREAS, the Participant, as an employee of the Company, is eligible to participate in the Lexington Realty Trust 2011 Equity-Based Award Plan (the "Plan"); and

WHEREAS, the Compensation Committee of Board of Trustees of the Company has approved the grant of the award to the Participant of the common shares of the Company, par value \$0.0001 ("Common Shares"), herein, subject to the terms and conditions of the Plan and this Agreement, in order to incentivize the Participant's performance, to enable the Participant to acquire an additional equity interest in the Company and to retain the Participant over the term of this Agreement.

NOW, THEREFORE, in consideration of the agreements hereinafter contained and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Grant of Shares.

(a) Subject to the restrictions and terms and conditions set forth in this Agreement and the Plan, including the Vesting Period (defined in Section 2 hereof), the Company hereby awards to the Participant _____ Common Shares as of the date first set forth above.

(b) The Participant agrees that the Participant's ownership of the Common Shares until the expiration of the applicable portion of the Vesting Period shall be evidenced solely by a "book entry" (i.e., a computerized or manual entry) in the records of the Company or its designated share transfer agent in the Participant's name.

2. Vesting of Common Shares. Subject to Section 3 hereof, the Common Shares vest as follows:

(a) ten percent (10%) of the Common Shares initially granted shall vest on each of January 15, 2018, January 15, 2019, January 15, 2020, January 15, 2021 and January 15, 2022 for a total of fifty percent (50%); and

(b) ten percent (10%) of the Common Shares initially granted shall vest on each of January 15, 2018, January 15, 2019, January 15, 2020, January 15, 2021 and January 15, 2022 for a total of fifty percent (50%); provided, that the vesting for the Common Shares under this Section 2(b) shall accelerate in full in the event the twenty consecutive trading day average

closing price of a Common Share on the primary exchange that the Common Shares are then trading first exceeds \$15.00 after the date first set forth above if such shares have not already vested in accordance with this Section 2(b), but no earlier than January 15, 2018.

3. Nontransferability and Acceleration/Forfeiture.

(a) The Participant acknowledges that prior to the expiration of the applicable Vesting Period, the Common Shares shall be held in the Company's restricted CUSIP file and may not be sold, transferred, pledged, assigned, encumbered or otherwise disposed of (whether voluntarily or involuntarily or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy)). Upon the expiration of the applicable portion of the Vesting Period, as set forth in Section 2 hereof, and subject to the satisfaction of any tax obligations in accordance with Section 5 hereof, the restrictions set forth in this Agreement with respect to the Common Shares theretofore subject to such expired Vesting Period shall lapse and such Common Shares shall be released from the Company's restricted CUSIP file.

(b) Subject to the terms and conditions of any definitive written employment agreement between the Participant and the Company (or, if no such definitive written employment agreement exists, any written severance policy then in effect), if the Participant ceases to be employed by the Company prior to the complete expiration of the Vesting Period, the Participant agrees that all of the Common Shares, that are nonvested in accordance with Section 2 hereof as of the date of such termination, together with any dividends or distributions on account of such non-vested Common Shares held by the Company for the Participant, shall be immediately and unconditionally forfeited and will revert to the Company without any action required by the Participant or the Company.

4. Rights as Shareholder. The Participant shall have all rights of a shareholder with respect to the Common Shares for record dates occurring on or after the date of this Agreement and prior to the date any such Common Shares are forfeited in accordance with this Agreement, except that any and all dividends or distributions with respect to the Common Shares declared prior to the expiration of the applicable Vesting Period shall be held by the Company for the Participant and shall be paid, without any interest, to the Participant upon the expiration of the applicable Vesting Period, unless forfeited in accordance with Section 3(b) hereof.

5. Withholding Tax Obligations. The Participant acknowledges the existence of federal, state and local income tax and employment tax withholding obligations with respect to the Common Shares and agrees that such obligations must be met. The Participant shall be required to pay and the Company shall have the right to withhold or otherwise require a Participant to remit to the Company any amount sufficient to pay any such taxes no later than the date as of which the value of any Common Shares first become includible in the Participant's gross income for income or employment tax purposes, provided however that the Board of Trustees or the Compensation Committee thereof may permit the Participant to elect withholding Common Shares otherwise deliverable to the Participant in full or partial satisfaction of such tax obligations, provided further however that the amount of Common Shares so withheld shall not

exceed the minimum statutory withholding tax obligation. If tax withholding is required by applicable law, in no event shall Common Shares be delivered to the Participant until he has paid to the Company in cash the amount of such tax required to be withheld by the Company or otherwise entered into an agreement satisfactory to the Company providing for payment of withholding tax. The Participant hereby notifies the Company that he will not make an election with respect to any portion of the Common Shares pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended.

6. Limitation of Rights. Nothing contained herein shall be construed as conferring upon the Participant the right to continue in the employ of the Company as a Participant or in any other capacity or to interfere with the Company's right to discharge him at any time for any reason whatsoever.

7. Receipt of Plan. The Participant acknowledges receipt of a copy of the Plan and agrees to be bound by all terms and provisions thereof. If and to the extent that any provision herein is inconsistent with the Plan, the Plan shall govern.

8. Assignment. This Agreement shall be binding upon and inure to the benefits of the Company, its successors and assigns and the Participant and his heirs, executors, administrators and legal representatives.

9. Governing Law. This Agreement and the obligation of the Company to transfer Common Shares shall be subject to all applicable federal and state laws, rules and regulations and any registration, qualification, approvals or other requirements imposed by any government or regulatory agency or body which the Compensation Committee of the Company shall, in its sole discretion, determine to be necessary or applicable. This Agreement shall be construed in accordance with and governed by the law of the State of New York.

10. Amendment. Except as otherwise permitted by the Plan, this Agreement may not be modified or amended, nor may any provision hereof be waived, in any way except in writing signed by the party against whom enforcement thereof is sought.

11. Execution. This Agreement may be executed in counterparts each of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by a duly authorized officer and the Participant has executed this Agreement effective as of the date first above written.

LEXINGTON REALTY TRUST

By: _____

Name:

Title: Authorized Officer

PARTICIPANT
